

**CITY OF WATERVILLE
FINANCE DEPARTMENT
CITY HALL, 1 COMMON STREET
WATERVILLE, ME 04901
TEL. (207-680-4240) Aaron Eric Berls, Finance Director
Tel. (207-680-4242) Linda Taylor, Accountant
Tel. (207-873-4281) Eric Haley, Superintendent of Schools
January 24, 2022**

REQUEST FOR PROPOSALS PROFESSIONAL AUDITING SERVICES

I. INTRODUCTION

A. General Information

The City of Waterville is requesting proposals from qualified firms of certified public accountants to audit its financial statements for the three fiscal years ending: June 30, 2022, June 30, 2023, and June 30, 2024 with the option of a two year extension.

These audits will be performed in accordance with generally accepted auditing standards (GAAS), the standards set forth for financial audits in the U.S. General Accounting Office's (GAO) Government Auditing Standards (latest version), the provisions of the Federal Single Audit Act of 1996, and the U.S. Office of Management and Budget (OMB) Circular A-133, Audits of States and Local Governments.

There is no expressed or implied obligation for the City of Waterville to reimburse responding firms for any expenses incurred in preparing proposals in response to this request.

To be considered, the Finance Director must receive eight (8) copies of a proposal in City Hall at 1 Common Street, Waterville, Maine by **2:00 P.M. on April 15th, 2022**. Proposals are to be sealed and contain the title "City of Waterville Audit RFP" on the outside of the packet. The proposal bid sheets should be enclosed in a sealed envelope with "Audit Bid Proposal" on the outside of the envelope.

The City reserves the right to amend this proposal provided such amendments are sent to all parties receiving requests for proposals. Receipt of these amendments must be acknowledged in the proposal.

The City reserves the right to reject any and all proposals, in whole or in part, to waive informalities or defects in a proposal or to negotiate changes in a proposal.

Any contract must be awarded by the Waterville City Council to the lowest *responsible* bidder pursuant to Article IV of the City Purchasing Ordinance. In determining the lowest *responsible* bidder, the City may consider the ability, capacity, experience, reputation, integrity and other qualities of the bidder in addition to the proposed cost of the service (Section VII B below for evaluation criteria).

During the evaluation process the City of Waterville reserves the right, where it may serve the best interest of the City, to request additional information or clarifications from the responding firms. At the

discretion of the City, some or all of the firms submitting proposals may be requested to make oral presentations as part of the evaluation process.

The City of Waterville reserves the right to retain all proposals submitted and to use any ideas in a proposal regardless of whether the firm making that proposal is selected. Submission of a proposal indicates acceptance by the firm of conditions contained in this request for proposals, unless clearly and specifically noted in the proposal submitted and confirmed in the contract between the City of Waterville and the firm selected.

It is anticipated that the selection of a firm will be completed no later than April 30th, 2022. Following the notification of the selected firm it is expected a contract will be executed between the City and selected firm by April 30th, 2022.

B. Term of Engagement

A three (3) year contract, with the option to renew for two (2) additional years is contemplated, subject to the annual review of the Waterville City Council; the satisfactory negotiation of terms, and the availability of an appropriation of funds.

C. Subcontracting

Should the firm anticipate subcontracting a portion or portions of the requested services, that fact, and the name and qualifications of the proposed subcontracting firms, must be clearly identified in the proposal. Following the award of the audit contract, no additional subcontracting will be allowed without the express prior written consent of the City of Waterville.

D. Proposal Requirements

I. General Requirements

1. Inquiries concerning this request for proposal should be directed to
Aaron Eric Berls, Finance Director
1 Common St, Waterville ME 04901
207-680-4240
2. Submission of Proposals
For proposals to be considered they must be received by **April 15th, 2022 by 2:00 PM** and contain the following information as a minimum:
 - a. Ten (10) copies to include the following:
 - 1) Title page showing the request for proposals subject; the name of the firm; contact person name, address and telephone number and the date of the proposal.
 - 2) Table of Contents
 - 3) Transmittal Letter: a signed letter of transmittal briefly stating the

auditor's understanding of the work to be done, the commitment to perform the work within the time frame, a statement of why the firm believes itself to be best qualified to perform the engagement, and a statement that the proposal is a firm and irrevocable offer for the contract term.

4) "Detailed Proposal following the order set forth in section V B of this request for proposals.

5) NO DOLLAR AMOUNTS OR TOTAL COSTS ARE TO BE INCLUDED IN THE TECHNICAL PROPOSAL DOCUMENT.

6) The bidder shall submit a dollar cost bid in a separate sealed envelope marked as follows:

“AUDIT BID PROPOSAL”

b. Bidders should send the complete package to the following address:

Finance Director
City of Waterville
Finance Department
1 Common Street
Waterville ME 04901

The package shall be clearly marked on the outside:

CITY OF WATERVILLE AUDIT RFP

II. Technical Proposal

1. General Requirements

The technical proposal should demonstrate the qualifications, competence and capacity of the firm seeking to undertake an independent audit of the City of Waterville in conformity with the requirements of this request for proposal and of the particular staff to be assigned to this engagement. The substance of proposals will carry more weight than their form or manner of presentation. The Technical Proposal should also specify an audit approach that will meet the request for proposal requirements.

The Technical Proposal should address all the points outlined in the request for proposals (excluding any cost information which should only be included in the sealed dollar cost bid). The proposal should be prepared simply and economically, providing straightforward, concise descriptions of the firm's capabilities to satisfy the requirements of the request for proposals. While additional data may be presented, the following subject items numbered 2 through 9 must be included. They represent the criteria by which the proposals will be evaluated.

The Technical Proposal should include an affirmation that the firm agrees that if selected, to hold the City harmless from all losses, cost or damage caused by its acts or those of its agents, and shall provide public liability insurance with a combined single limits of not less than

\$1,000,000/\$3,000,000 for bodily injury, death, or property damage including coverage for vehicles owned and operated by it. Prior to the execution of the contract, the firm selected must agree to produce evidence satisfactory to the City that it is adequately covered for Worker's Compensation and professional liability insurance in an amount not less than \$1,000,000 per occurrence for errors and omissions.

2. Independence

The firms shall provide an affirmative statement that it is independent of the city of Waterville as defined by generally accepted auditing standards and the U.S. General Accounting Office's government Auditing ' Standards. Refer to Appendix A for a list of key City personnel. This list is not intended to be all-inclusive and it is the responsibility of the audit firm to perform due diligence to insure independence. If a firm has any questions regarding other City or School positions, it should contact the Finance Director.

The firm shall also list and describe the firm's (or any proposed subcontractor's) professional relationship involving the city of Waterville or any of its agencies or component units/agencies, or oversight unit for the past five (5) years, together with a statement explaining why such relationships do not constitute a conflict of interest relative to performing the proposed audit.

In addition the firm shall give the City of Waterville written notice of any such professional relationships entered into during the period of this agreement.

3. License to Practice in Maine

An affirmative statement shall be included indicating that the firm and all assigned key professional staff are properly licensed to practice in the State of Maine.

4. Firm Qualifications and Experience

The proposal shall state the size of the firm, the size of the firm's governmental audit staff, the location of the office from which the work on this engagement is to be performed and the number and nature of the professional staff to be employed in this engagement on a full-time basis and the number and nature of the staff to be so employed on a part-time basis.

If the firm is a joint venture or consortium, the qualifications of each firm comprising the joint venture or consortium should be separately identified and the firm that is to serve as the principal auditor should be noted, if applicable.

The firm is also required to submit a copy of the report on its most recent external quality control review, with a statement whether that quality control review included a review of specific government engagements.

The firm shall also provide information on the results of any federal or state desk review or field reviews of its audits during the past three (3) years. In addition, the firm shall provide information on the circumstances and status of any disciplinary action taken or pending against the firm during the past three (3) years with state regulatory bodies or professional organizations.

5. Principal Supervisory and Staff Qualifications

The firm shall identify the principal supervisory and management staff, including the engagement principals, managers, other supervisors, and specialists, who will be assigned to the engagement and indicate whether each such person is licensed to practice as a certified public accountant in the State of Maine. The firm shall also provide information on the government auditing experience of each person, including information on relevant continuing professional indication for the past three (3) years and membership in professional organizations relevant to the performance of this audit.

The firm shall provide as much information as possible regarding the number, qualifications, experience and training, including relevant continuing professional education of the specific staff to be assigned to this engagement. The firm shall also indicate how the quality of the staff over the term of the engagement will be assured.

The firm shall identify the extent to which the staff to be assigned to the audit reflect the City of Waterville's commitment to affirmative action.

Engagement partners, managers, other supervisory staff and specialists may be changed if they leave the firm, are promoted, or are assigned to another office. They may also be changed for other reasons with the express prior written permission of the City of Waterville, However, in either case the City of Waterville retains the right to approve or reject replacements.

Consultants and firm specialists mentioned in the response to this request for proposal can only be changed with the express prior written permission of the City of Waterville, which retains the right to approve or reject replacements.

Other audit personnel may be changed at the discretion of the firm provided that the replacements have substantially the same or better qualifications and experience.

6. Similar Engagements with Other Government Entities

For the firm's office that will be assigned responsibility for the audit, list the most significant engagements (maximum of 5) performed in the last five (5) years that are similar to the engagement described in this request for proposals. These engagements should be ranked on the basis of total staff hours. Indicate whether the engagement entailed a CAFR or GPFS, the scope of work, date, engagement partners, total hours and the name and telephone number of the principal direct contact.

7. Specific Audit Approach

The proposal shall set forth a work plan, including an explanation of the audit methodology to be followed, to perform the services required in Section III of this request for proposals. The proposal shall describe the audit procedures, presented in a form which shall best aid the City of Waterville in evaluating the firm's ability to identify, evaluate and communicate on municipal government financial problems.

Proposers are required to provide the following information on their audit approach:

- a. Proposed segmentation of the engagement.

- b. Level of staff and number of hours to be assigned to each proposed segment of the engagement.
- c. Extent of use of software in the engagement.
- d. Approach to be taken to gain and document an understanding of the City of Waterville's internal control structure.
- e. Approach to be taken in determining laws and regulations that will be subject to audit test work.

8. Identification of Anticipated Potential Audit Problems

The proposal shall identify and describe any anticipated potential audit problems and the firm's approach to resolving these problems and any special assistance that will be requested from the City of Waterville.

9. The proposal shall include a sample contract.

III. Sealed Dollar Bid

Total All-Inclusive Maximum price

The sealed dollar cost bid shall contain all pricing information relative to performing the audit engagement as described in this request for proposals and shall be submitted on the forms in Appendix B or in a similar format.

The sealed dollar cost bid shall include the following information:

- a. Name of firm
- b. Certification that the person signing the proposal is entitled to represent the firm and is empowered to submit the bid and authorized to sign a contract with the City of Waterville
- c. A total All-inclusive Maximum Price for each of the proposed three years. This price shall include all direct and indirect costs including all out-of-pocket expenses. The total three-year fee is the cost that will be used for evaluation purposes.

2. Rates for Additional Professional Services

If it should become necessary for the City of Waterville to request the auditor to render any additional service to either supplement the services in this request for proposals or to perform additional work as a result of the specific recommendations included in any report issued on this engagement, then such additional work shall be performed only if set forth in an addendum to the contract specifying the additional work to be performed and any related compensation.

NOTE: The city will not be responsible for any charges not specified in the original contract or an addendum.

3. Final Payment

The final payment for any audit shall become due only after the submission of all reports required by this request for proposals **and** their acceptance by the City and/or federal or state grantor agencies.

II. DESCRIPTION OF THE GOVERNMENT

A. Background Information - General

The City of Waterville is located in the central region of Maine and is in the northern section of Kennebec County. The City's year 2020 population is approximately 15,600. Situated on the west bank of the Kennebec River, the City is approximately 18 miles north of Augusta, the state capital, and 80 miles northeast of Portland. Waterville is the fourteenth largest of Maine's cities and towns. The towns of Fairfield, Oakland, Sidney and Winslow border Waterville.

Waterville is a commercial and academic community and the service center for the surrounding communities. Among the major employers are: Huhtamaki Foodservices Inc.; Wal-Mart; Maine General Medical Center; Inland Hospital; Colby College; and Thomas College.

The City operates under a City Manager-Council form of government with the City Council consisting of eight (8) members including the Mayor. The City's fiscal year begins on July 1 and ends on June 30.

The current Charter was adopted in 2006. The Charter grants to the City Council all powers to enact, amend, or repeal rules, ordinances and resolutions relating to the City's property, affairs and government, to preserve public health and safety, to authorize the issuance of debt, and to provide for an annual audit of the City's accounts.

The City Manager is the chief executive officer and head of the administrative branch of the City's government.

B. Background Information – Financial

The Finance Departments of the city and school maintain general ledgers and other accounting records for all funds. The Finance Department for the City includes 5 full time employees: Finance Director,

Accountant, Tax Collector, and 2 full-time fiscal assistants. The Department is responsible for the collection of property and excise taxes, purchasing, accounts payable, payroll, invoicing and accounts receivable, debt issuance, etc. The School Department has a Finance Director, two Payroll Administrators and Accounts Payable Clerk.

The City is compliant with GASB 34. The City of Waterville has MUNIS as its software for all its accounting functions. The school system uses ADS software.

The City's general fund is treated as two separate funds (school and city) for internal accounting purposes and reported as one on the financial statements. Special revenue funds, capital fund, agency funds and trust funds are other funds utilized by the city.

The City of Waterville provides the following services to its Citizens:

1. Public Safety
2. Public Works
3. Recreation - Culture
4. Health and Welfare Services
5. Education
6. Planning, Zoning, and Economic Development
7. Municipal Airport
8. General Administration

The general fund budget adopted for 2020-2021 is \$44,075,090.

The accounting and financial reporting functions of the City and School are separate.

The City owns the Robert LaFleur Airport and finances its operations through a special fund.

The City has multiple tax increment financing districts.

The Waterville Public Library is a quasi-component unit of the City in that the City funds eighty five (85) percent of its operating budget through a yearly appropriation in the general fund. The library building is owned by the City and the Library entity is incorporated.

The employees of the Police Department and Fire Department and most of the employees of the School Department are members of Maine State Retirement System. The other City employees are covered by FICA and are offered the opportunity to participate in the ICMA deferred compensation section 457 plan.

III. NATURE OF SERVICE REQUESTED

A. General

The City of Waterville is soliciting the services of qualified firms of certified public accountants to audit its financial statements for the fiscal years ending June 30, 2022; June 30, 2023; and June 30, 2024 with the option of a two year renewal. These audits are to be performed in accordance with the provisions contained in this request for proposals.

B. Scope of Work to be Performed

In accordance with Generally Accepted Auditing Standards (GAAS) that apply to the City of Waterville the City requires the auditor to express an opinion on the fair presentation of its general purpose financial statements in conformity with generally accepted accounting principles and procedures applicable to governmental units.

The auditor is required to audit the combining and individual fund and account group financial statements and supporting schedules and will report on such supplementary information in accordance with GAAS that apply to the City. The auditor is to provide 'in-relation-to' reports on the combining and individual fund financial statements and supporting schedules based on the auditing procedures applied during the audit of the general purpose financial statements. The auditor is not required to audit the statistical or continuing disclosure sections of the report and will disclaim such information in accordance with GAAS.

The auditor shall be responsible for performing certain procedures involving supplementary information required by General Accounting Standards Board (GASB) in accordance with applicable standards.

The auditor shall perform the financial and compliance audit for all federally assisted programs in accordance with the Single Audit Act of 1984 and Amendments as of 1996. The auditor is required to audit the schedule of expenditures of federal awards as well as providing an applicable GAAS 'in-relation-to' report on these schedules based on the auditing procedures applied during the audit of the financial statements. The auditor is also required to audit the schedule of state funds as required by MAPP if applicable.

In connection with the audit of the records and financial statements, the auditor shall review the system of internal control, operating procedures, and compliance with budgetary and legal requirements of the City of Waterville. The review of internal control must include an annual review of the related EDP controls with the information services department that should include, but not be limited to, the areas of physical security, systems and program documentation, input/output controls, and control over the use and retention of disk files.

The auditor shall perform an audit of the school department accounts in accordance with the requirements of Title 20-A MRSA Section 6051 that shall include examining the Financial Report of Public Schools submitted to the State Department of Education on Form EF-M-45 for fairness of presentation.

At least once during the course of the three years, the auditor shall perform an in-depth audit of the city and school payroll and personnel records. This portion of the audit may be subcontracted with prior approval of the City of Waterville.

The City of Waterville views its engagement of an audit firm as an on-going professional relationship in which the firm is expected to provide consultation services during the course of the contract. As such, the auditor is expected to consult with the City, as required, on auditing, accounting, financial reporting and operating matters as they arise and to provide the City with information on current developments which would affect the City's financial operations and management.

C. Reports to be Issued

Following the completion of the audit of the City of Waterville financial statements for the fiscal year, the auditor shall issue the following reports:

1. A report on the fair representation of the financial statements in conformity with generally accepted accounting principles and a GAAS compliant report on the supplemental information.
2. A report on the internal control structure based on the auditors' understanding of the control structure and assessment of control risk.
3. A GAAS compliant 'in-relation-to' report on the schedule of expenditures of federal awards and a report on the internal control structure used in administering federal financial assistance programs.
4. A report on compliance with applicable laws and regulations.
5. Separate detailed reports on the school department financial statements, in compliance with the requirements of the Maine School Finance Act, and other reports as required.
6. Data Collection Form for Reporting on States, Local Governments, and Non-Profit Organizations (SF-SAC).
7. Reports required by GASB 34 and reports required by any new regulations during the contract period.

Note that the City prepares its Comprehensive Annual Financial Report (CAFR) with the corresponding financials and fiscal notes. Such reports need to be prepared by the auditors for the Schools. The Library's financials are also independent from the City and will require independent review to be incorporated into the City's books. Entries for the Schools and Library shall be provided to the City's Finance Department for consolidation into the CAFR.

In the required reports on internal controls, the auditor shall communicate any reportable conditions, as applicable to Generally Accepted Accounting Principles (GAAP), found during the audit. A reportable condition shall be defined as a *significant* deficiency in the design or operation of the internal control structure, which could adversely affect the organization's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements, or as otherwise defined by generally accepted auditing standards. Reportable conditions that are also material weaknesses shall be identified as such in the report.

Non-reportable conditions and opportunities to improve systems discovered by the auditors shall be reported in a separate letter to management that shall be referred to in the reports on internal controls.

The schedule of findings and questioned costs shall include instances of noncompliance required to be reported under OMB Circular A-1 33.

D. Reporting to the City Council

The auditor's shall ensure that the City Manager and City Council of the City of Waterville are informed of each of the following:

- 1 The auditor's responsibilities under generally accepted auditing standards.
2. Significant accounting policies.
3. Management judgements and accounting estimates.
4. Significant audit adjustments.

5. Other information in documents containing audited financial statements.
6. Disagreements with management.
7. Management consultation with other accountants.
8. Major issues discussed with management prior to retention.
9. Difficulties in performing the audit, if any.

E. Irregularities and Illegal Acts

Pursuant to GAAS, auditors shall be required to make an immediate, written report of all irregularities and illegal acts or indications of irregularities or illegal acts to the City Council, Mayor, City Manager, and City Finance Director.

F. Special Considerations

The Schedule of Expenditures of Federal Awards and related auditor's report as well as the internal control report are not to be included in the annual general purpose financial report but are to be issued separately.

G. Working Paper Retention and Access to Working Papers

The firm shall agree to provide the City of Waterville with a copy of all audit adjustments and, where necessary, make available its working papers upon request to meet any City financial need. All work papers and reports must be retained at the auditor's expense, for a minimum of seven (7) years, from the date of acceptance of the auditor's report by City council, unless the firm is notified in writing by the City of Waterville of the need to extend the retention period.

In addition, the firm shall respond to the reasonable inquiries of successor auditors and allow successor auditors to review the working papers relating to matters of continuing accounting significance.

IV. TIME REQUIREMENTS

A. Proposal Calendar

The following is a list of the key dates:

| | |
|---------------------------------|------------------|
| Date Proposals are due: | April 15th, 2022 |
| Award of engagement by Council: | April 30th, 2022 |
| Contract date: | April 30th, 2022 |

B. Date Audit May Commence

The City will have adjusted or closed all accounts and will have substantially all records ready for audit; the financial statements for the City will be prepared for the City without the Library and School included, and Finance Department personnel available to meet with the firm's personnel, 75 days after the end of the fiscal year. Fiscal notes will be prepared by the City for the City and School after the School is audited and Library completed by the independent auditors and the appropriate entries are provided to the City Finance Director. Certain fiscal notes, which require detail not possessed by the

City, related to the Library and School only will need to have information provided by the independent auditors to the Finance Director of the City.

The City will also make its records and other financial documents available prior to the end of the fiscal year so that the firm may begin its preliminary work before the end of the fiscal year.

C. Schedule for Audits

1. Interim work may be performed at a time to be negotiated. In future years, the auditor shall complete all interim work to be discussed.
2. The auditor shall provide the City with a detailed audit plan, including pertinent dates, and a list of all schedules to be prepared by the City of Waterville by June 30 and 75 days after the close of the respective year end to be audited. The Finance Department staff shall prepare trial balances and all required supplemental schedules and have them available by the first day of the fieldwork.
3. The auditor will complete all fieldwork **by October 15.**
4. The auditor shall have drafts of the city and school audit reports, management letter and all adjusting entries available for review by the Finance and School Department personnel **by November 8.**
5. The Finance Department, city and school, shall have completed its review of the audit draft **by November 23.**
6. The report on the school financial statements will be issued in time to comply with the due date submission to the Department of Education (20-A MRSA 6501).
7. **Any deadlines not met by the auditor will result in a 10% reduction in the audit fee.** This penalty will be negated if the City of Waterville does not meet its deadline for the review of the audit draft or its obligation of providing audit schedules and information in a timely manner.

D. Entrance Conferences, Progress Reporting, and Exit Conferences

The firm shall agree to an entrance conference to discuss prior audit problems, the interim work to be performed and review the City's role in the audit.

A progress report conference will be held with the Finance Director every two weeks, or as needed, to review progress made, summarize the results of the preliminary review and to identify the key internal controls or other issues remaining.

An exit conference will be held with the City Manager, Finance Director and Superintendent of Schools to review the audit findings and summarize the results of the audit. At all times, the auditor shall keep the Finance Director apprised of the status of the audit and shall notify the Finance Director immediately if irregularities are found or an agreed deadline date cannot be honored.

The principal and/or manager in charge shall be available to attend a Council meeting to review the audit with the Mayor and Council. This meeting usually occurs by mid- December of the fiscal year following the fiscal year the audit applies to.

E. Date Final Report is Due

Twenty (20) copies of the school audit and fifty (50) copies, plus one unbound copy, of the city audit report shall be delivered to the Finance Department no later than **December 1**. The auditor shall also prepare the SFSAC filing of which the City shall receive two bound and one unbound copies.

V. ASSISTANCE TO BE PROVIDED TO THE AUDITOR AND REPORT PREPARATION

A. Finance Department and Clerical Assistance

The Finance Department staff will render all feasible assistance to the auditor and will respond promptly to requests for information, documentation and explanations, and will provide all books and records required by the firm. The preparation of confirmations will be the responsibility of the City of Waterville. Limited clerical support will be provided to the auditor as needed. The Finance Director and Accountant will be available to assist the auditor in performing the audit. The Information Systems personnel will be available to provide systems documentation and explanations. The School Department personnel will be available to assist on the school department portion of the audit. The Library will provide the appropriate personnel for their portion of the audit.

B. Statements and Schedules to be Prepared by the City Staff

The staff of the City of Waterville will prepare statements and schedules for the auditor that will include at a minimum the following-.

1. Trial Balance for each fund
2. Expenditure and revenue status reports including comparisons with budget.
3. Cash reconciliation report
4. Schedule of inter-fund receivables, payables, and transfers
5. Schedule of taxes and liens receivable reconciled to the general ledger
6. Schedule of accounts receivable for each fund
7. Schedule of accounts payable for each fund
8. Detail of all accrued liabilities
9. Schedule of accrued payroll
10. Schedule of accrued compensated absences
11. List of encumbrances at year-end
12. Preliminary Financial Report (Financial Statements for the City without Library and School).
13. Preliminary Report (Financial Statements and Fiscal Notes for the City with Library and School when entries and requested details are provided by auditors).
14. Required Management Discussion and Analysis

C. Work Accommodations

The City will provide the auditor with reasonable workspace, desk/tables and chairs. The auditor will also be provided with access to telephones, copiers, internet access and FAX machines.

D. Report Preparation

Preparation, editing and printing of the Final Annual General Purpose Financial Statements, GAS and OMB Reports will be the responsibility of the auditor. The City will provide assistance with proofreading, editing and suggestions to improve presentations.

VI. EVALUATION PROCESS

A. Review of Proposals

The City of Waterville shall evaluate the proposals on the basis of the qualifications, relevant experience, and responsiveness of the bidders, as well as the estimated cost of the engagement.

The City of Waterville reserves the right to retain all proposals submitted and to use any idea in a proposal regardless of whether that proposal is selected.

B. Evaluation Criteria

The Purchasing Ordinance of the City of Waterville in Article IV specifies how a bidder receives the award of bids over \$10,000 (ten thousand dollars and no cents).

In addition to price, the Council may consider the following in determining the lowest responsible bidder:

- a. The ability, capacity and skill of the bidder to perform the contract or provide the service required;
- b. Whether the bidder can perform the contract or provide the service promptly, or within the time specified, without delay or interference;
- c. The character, integrity, reputation, judgment, experience and efficiency of the bidder;
- d. The quality of performance of previous contracts or services as may be in part determined by contract with previous contractors;
- e. The previous and existing compliance by the bidder with laws and ordinances relating to the contract or service;
- f. The financial capability of the bidder to perform the contract or provide the service;
- g. The quality, availability and adaptability of the supplies or contractual services to the particular use required;
- h. The ability of the bidder to provide future maintenance and service for the use of the subject of the contract;
- i. The number and scope of conditions attached to the bid; and
- j. The energy efficiency of the product.

For all purchases, the City reserves the right to accept and/or reject any and all bids or portions

thereof.

C. Mandatory Elements:

1. The audit firm is independent and licensed to practice in the State of Maine.
2. The firm has no conflict of interest with regard to any other work performed by the firm for the City of Waterville.
3. The firm adheres to the instructions in this request for proposals on preparing and submitting the proposal.
4. The firm submits a copy of its last external quality control review report and the firm has a record of quality audit work.
5. The firm agrees that if selected, to hold the City harmless from all losses, cost or damage caused by its acts or those of its agents, and shall provide public liability insurance with a combined single limits of not less than \$1,000,000/\$3,000,000 for bodily injury, death, or property damage including coverage for vehicles owned and operated by it. Prior to the execution of the contract, the firm selected will produce evidence satisfactory to the City that it is adequately covered for Worker's Compensation and professional liability insurance in an amount not less than \$1,000,000 per occurrence for errors and omissions.

D. Technical Qualifications:

a. Expertise and Experience

- 1) The firm's past experience and performance on comparable government engagements
- 2) The quality of the firm's professional personnel to be assigned to the engagement and the quality of the firms management support personnel to be available for technical consultation.

E. Audit Approach

- 1) Adequacy of proposed staffing for the engagement.
- 2) Adequacy of sampling techniques and analytical procedures.
- 3) Adequacy of audit plan for electronic data processing function.

F. Oral Presentation

During the evaluation process, any one or all firms may be requested to make oral presentations. Such presentations will provide firms with an opportunity to answer any questions the City may have on a firm's proposal.

G. Final Selection

The Waterville City Council will make the final selection of a firm.

It is anticipated that a firm will be selected by April 30th, 2022. Following notification of the firm selected, it is expected that a contract will be executed between both parties by April 30th, 2022.

H. Right to Reject Proposals

Submission of a proposal indicates acceptance by the firm of the conditions contained in this request for proposals unless clearly and specifically noted in the proposal submitted and confirmed in the contract between the City of Waterville and the firm selected.

The right is reserved without prejudice to reject any or all proposals, to waive defects or informalities in a proposal or to take any action deemed to be in the best interest of the City of Waterville.

VIII. TERMINATION OF AUDIT

If the audit firm fails to substantially comply with the specifications contained in this request for proposals or the contract with the City of Waterville, the City of Waterville reserves the right to terminate the engagement after completion of any audit year upon written notice to the firm by March 1.

If the firm engages in any misfeasance, malfeasance, or any other conduct which would compromise the integrity of the audit, the City of Waterville reserves the right to terminate the audit contract at any time with notice to the firm.

APPENDIX A

CITY OF WATERVILLE ELECTED OFFICIALS AND EMPLOYEES

| City | School Department |
|------------------------------------|---|
| City Council | School Board |
| Erik Thomas, Chair | Patricia Helm |
| Claude Francke | Greg Bazakas |
| Flavia DeBrito | Joan Phillips-Sandy |
| Michael Morris | Maryanne Bernier |
| Thomas Klepach | Spencer Krigbaum |
| Rebecca Green | Elizabeth Bickford |
| Rick Foss | Pamela Trinward |
| Mayor, Jay Coelho | Superintendent, Eric L. Haley |
| City Manager, Stephen Daly | |
| City Solicitor -- O'Donnell & Lee | |
| Finance Department | Business Office |
| Aaron Eric Berls, Finance Director | Paula Pooler, School Finance Director |
| Linda Cote, Tax Collector | |
| Linda Taylor, Accountant | |
| Debbie Collins, Finance Clerk I | |
| Other Department Heads | |
| Paul Castonguay, City Assessor | Patti Dubois, City Clerk |
| Denise Murry, Health & Welfare | Matt Skehan, Public Works, Parks & Recreation |
| Shawn Esler, Fire Chief | Randy Marshall, Airport |
| Ann Beverage, City Planner | Joseph Massey, Police Chief |
| Joel Waye, Information Services | Dan Bradstreet, Code Enforcement Officer |
| Andy McPherson – City Engineer | Bobbie- Jo Green, Human Resources |

APPENDIX B

CITY OF WATERVILLE SEALED DOLLAR COST BID

The undersigned propose to provide the City of Waterville, Maine, with an independent audit of its general purpose financial statements as required by the Request for Proposals dated April 15th, 2022.

The undersigned certifies that he/she is entitled to represent the firm, is empowered to submit the bid, and is authorized to sign a contract with the City of Waterville.

The undersigned propose to accept as full payment the following sums:

| | TOTAL | MUNICIPAL | SCHOOL |
|------------------------------|-------|-----------|--------|
| July 1, 2021- June 30, 2022 | | | |
| July 1, 2022 - June 30, 2023 | | | |
| July 1, 2023 - June 30, 2024 | | | |
| Total Three Year Cost: | | | |

Signed By:

Name: _____

Title: _____

Firm: _____

Address: _____

Date: _____ Telephone Number: _____